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IN THE

Supreme Court of the United States

October Term, 1956

No. 1016

HUNT TOOL COMPANY, *Petitioner*

AGAINST

RICHARD R. LAWRENCE, DAILEY OIL TOOLS, INC., and HOUSTON OIL FIELD MATERIAL CO., INC., *Respondents*

PETITION FOR WRIT OF CERTIORARI

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PETITION FOR WRIT OF CERTIORARI

To the Honorable, the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Hunt Tool Company, prays for a review on a writ of certiorari of a decision of the United States Court of Appeals for the Fifth Circuit in a case entitled, "Hunt Tool Company and Louis Davis, Defendants-Appellants, v. Richard R. Lawrence, Dailey Oil Tools, Inc., and Houston Oil Field Material Co., Inc., Plaintiffs-Appellees."

Opinions of the Courts Below

The opinion of the Court of Appeals is reported in —— F. 2d ——; 113 USPQ 7. The opinion of the District Court (which was affirmed) is reported in 142 F. Supp. 329; 111 USPQ 37.

The opinions are appended hereto, as provided by the Rules of this Court. A certified copy of the Record printed for use in the Court below, together with the proceedings and opinion in that Court, are furnished, together with copies of the Record, in accordance with the Rules of this Court.

Jurisdiction

The judgment of the Court of Appeals was dated and entered on March 15, 1957. A copy thereof is appended hereto.

The Court of Appeals, on April 22, 1957, denied a rehearing and, on April 29, 1957, entered an order staying the mandate until May 29, 1957, to permit application for certiorari to this Court.

The jurisdiction of this Court is invoked under the Judicial Code, 28 United States Code, Secs. 1254 and 2101(c).

Questions Presented

1. Since the scope of the exclusive right under a patent affects the public generally, to what extent, if at all, should a Court in a patent infringement action determine the infringement issue by comparing the competing commercial products of plaintiffs and defendant?

2. In an action for alleged infringement of two patents (controlled by the same interests but issued years apart to different patentees), should it be held that the two patents *together* establish a monopoly on the *ideas* embodied in plaintiffs' commercial product in view of the decision of this Court in *Consolidated Valve Co. v. Crosby Valve Co.*, 113 U.S. 157, 179? Or, in the public interest, should the validity of each patent be tested, and the scope of its exclusive right determined, *separately and apart from* the other?

3. Is a patent disclosing and claiming a combination of old elements (which a Court finds commercially impractical and not capable of solving an existing problem) valid and entitled to a broad scope because it discloses a useful idea? Is it "worthy of pioneer status and thus to a broad range of equivalents?"

4. Is a patent for a combination of old elements (alleged to be an improvement) valid and entitled to "a reasonably broad range of equivalents" on the ground that it discloses the use of more than one of the old power elements to multiply the power?

5. Under Title 35, *United States Code*, Sec. 112, having to do with functional statements in patent claims, may the scope of a claim be extended under the doctrine of equivalents to cover an accused device which does not function in accordance with a functional statement in the claim?

6. Is the scope of the exclusive right granted by a patent invariably limited where the Patent Office rejects broad claims in the application for the patent and the patentee accepts narrow claims, or is the doctrine of file wrapper estoppel inapplicable where the Patent Office rejects the broad claims on the ground that they are unstatutory and functional?

7. Is the scope of the exclusive right granted by a patent invariably limited where the Patent Office rejects broad claims in the application for the patent and the patentee accepts narrow claims, or must the defendant in a patent infringement action show that the accused device is within the area of the prior art cited by the Examiner?

8. Where a defendant is licensed under a patent disclosing mechanical means, and there is no genuine issue as to the fact that one of the claims of the patent is applicable to the hydraulic means of plaintiffs and defendants, should it be held that defendant acquired a license under the patent as a cloak and screen to conceal its infringement and that said claim is invalid and not infringed?

The Statute Involved

The patent statute is involved (Title 35, *United States Code*).

Former Sec. 33 of this title required an applicant for a patent to "particularly point out and distinctly claim the part, improvement or combination which he claims as his invention or discovery."

Present Sec. 112 provides:

> "An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claims shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof."

Statement of the Case

There is no issue as to the ultimate controlling facts. The facts material to the consideration of this petition appear in the opinion of the Court of Appeals.

The complaint (R. 6) was filed by respondents in the United States District Court for the Southern District of Texas, Houston Division, for an alleged infringement by petitioner of claims 1, 2 and 16 of the patent to Costello, No. 2,190,442 (R. 1417), and claims 5 and 6 of the patent to Lawrence, No. 2,377,249 (R. 1431). Jurisdiction in the Court of first instance was based upon the patent laws of the United States and *United States Code*, Title 28, Secs. 1338 and 1400.

The District Court held that these patents were valid and infringed. The Court of Appeals affirmed.

Petitioner and respondents are competitors. Respondents alleged herein that the accused device of petitioner was a copy of respondents' *commercial product*. The Court of Appeals apparently interpreted the opinion of the Supreme Court in *Consolidated Valve Co. v. Crosby Valve Co.*, 113 U.S. 157, 179, as holding that when the *ideas* of two patents are embodied in a plaintiff's commercial product that the test of patent infringement is whether the accused device is the mechanical equivalent of the plaintiff's commercial product. The said quoted portion appears on page 12 of the opinion of the Court of Appeals. The Court of Appeals then found that the accused device herein was an infringement because it was a copy of respondents' commercial product which these *two* patents *together* describe (Opinion, p. 13).

The opinion of the Court of Appeals reveals that the claims of the Costello and Lawrence patents, which are for particular combinations and arrangements of old elements (elements that were commonly used to perform well-known functions) do not define the accused device (Opinion, p. 6). Indeed, the opinion (page 3) points out that no commercially practical tool has or can be built exactly according to the Costello description and (Opinion, p. 16) that the problem solved by the Lawrence patent was how to apply a hydraulic force successfully to the basic Costello design; but the Court nevertheless held that the Costello patent (Opinion, p. 10) "* * * is worthy of pioneer status and thus to a broad range of equivalents * * *", and it apparently approved (Opinion, p. 7) the holding of the District Court that the Lawrence patent was entitled to "a reasonably broad range of equivalents."

Apparently, the Court of Appeals has given the respondents a monopoly of such broad scope as to embrace any use of hydraulic lifting power with one or more cylinders and pistons to exert a loosening force close to a stuck object in an oil well, rather than from the surface of the earth—a scope not permitted by the patent laws nor by the limitations apparent upon the face of the combination claims of these patents.

As will appear on pages 13 and 14 of the opinion of the Court of Appeals, the Patent Office rejected broad claims submitted in the application for the Costello patent on the ground that they were unstatutory and functional, and Costello accepted the more narrow claims of his patent. However, the Court of Appeals held that the scope of the exclusive right of the claims of the Costello patent was not thereby limited.

As will appear on pages 14 and 15 of the opinion, the Patent Office rejected a broad claim in the application for the Lawrence patent in view of the prior art, and Lawrence accepted the more narrow claims of his patent. However, the Court of Appeals held (Opinion, p. 15) that the burden was on petitioner to show that the alleged infringing device was in the area of the prior art.

The only claims of the Lawrence patent in suit are claims 5 and 6, and each of these claims recites that the pistons are fixed on the string and a functional statement having to do with the admission of fluid under pressure from the string into the cylinders to elevate the pistons, string and grapple. These limitations were not in the broad claim rejected by the Patent Office and cancelled by Lawrence and are not in the accused device of the petitioner, as will appear from page 11 of the opinion of the Court of Appeals. However, the Court of Appeals held that these claims were infringed.

As to the Davis patent, No. 2,247,188 (R. 1426), on which your petitioner filed a counterclaim (R. 16) against respondents, there is no issue as to the fact that claim 10 describes the commercial products of your petitioner and respondents. The Court of Appeals nevertheless held that this claim was not infringed (Opinion, pp. 15-16).

Reasons for Granting the Writ

The reasons for granting the writ are as follows:

1. Notwithstanding the extremely broad scope given the patents in suit by the Court of Appeals for the Fifth Circuit, litigation elsewhere, with a resulting conflict of

decision, is improbable because of the concentration of the oil well pulling tool industry in Houston, Texas. *Schreiber Co. v. Cleveland Trust Co.*, 305 U.S. 50.

2. The questions presented by the decision of the Court of Appeals, and the bases thereof set forth in the opinion, are of great public importance, extending far beyond this cause and beyond the three causes recently filed by respondents in the District Court in Houston, Texas, against other defendants for alleged infringement of the patents involved.[1]

3. The Court of Appeals has decided important questions of federal law, which should be settled by this Court, having to do with whether two patents (controlled by the same interests but issued years apart to different patentees) should be held to establish *together* a monopoly on the *ideas* embodied in a commercial product; or whether the validity of each patent should be tested and the scope of its exclusive right determined *separately and apart from* the other.

4. The Court of Appeals has decided important questions of federal law, which should be settled by this Court, having to do with whether the public is entitled to rely upon the decisions of the Patent Office, acquiesced in by applicants for patents, limiting the scope of the exclusive rights to be granted, or whether the public must await Court decisions in patent infringement actions which may, in effect, reverse the decisions of the Patent Office and erase the abandonment by the patentee.

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[1] **Dailey Oil Tools, Inc. v. Brown Oil Tools, Inc.**, C.A. No. 10,181, (USDC SD Texas); **Dailey Oil Tools, Inc. v. Wilson Supply Company**, C.A. No. 10,181, (USDC SD Texas); **Dailey Oil Tools, Inc. v. Houston Engineers**, C.A. No. 10,181, (USDC SD Texas).

5. The Court of Appeals has decided federal questions in a way in conflict with the applicable decisions of this Court, and has so far sanctioned such a departure by the District Court as to call for an exercise of this Court's power of supervision.

Argument

It is the purpose of the patent statutes to prevent doubt and uncertainty as to the exclusive rights of patents by requiring that the patentee particularly point out and distinctly claim the part, improvement or combination which he claims as his invention or discovery. Other inventors are thereby informed of what the patentee claims as his own, so they may determine what they may use and what they may not use. *McClain v. Ortmayer*, 141 U.S. 419, 424; *Motion Picture Patents Co. v. Universal Film Manufacturing Co., et al.*, 243 U.S. 502, 510; *General Electric Co. v. Wabash Appliance Corp., et al.*, 304 U.S. 364, 369.

It is respectfully submitted that where, as here, plaintiffs allege that defendant has copied plaintiffs' *commercial product*, and has infringed two patents controlled by plaintiffs, the infringement issue should be determined by comparing the accused device, not with plaintiffs' commercial product, but with *each* of plaintiffs' patents and its claims, *separately and apart from* the other patent. So also should the validity of each patent be tested separately and apart from the other.

In support of this proposition, we respectfully submit that there should be no monopoly in a commercial product; and that there should be no monopoly established by combining two patents issued years apart to different patentees.

However, the opinions of the District Court and of the Court of Appeals reveal that, on the issue of infringement, both compared the accused device (the Hunt tool) with respondents' commercial product (the Dailey tool) with respect to the *ideas* the Court found to have been contributed by the Costello patent and the Lawrence patent.

In so doing, the Court of Appeals (Opinion, p. 12) relied upon the quoted portion of the opinion of this Court in *Consolidated Valve Co. v. Crosby Valve Co.*, 113 U.S. 157, 179. Your petitioner respectfully submits that whether said opinion should be so interpreted should be settled by this Court.

It is respectfully submitted that where, as here, an applicant for a patent presents broad claims which are rejected by the Patent Office and the applicant accepts narrow claims, this should *per se* constitute a limitation upon the scope of the exclusive right of the resulting patent, in the absence of proof in the record of the application that the Patent Office and the applicant did not intend that such limitation be imposed. The records of applications for patents are customarily examined by laymen as well as their lawyers to determine what may be used and what may not, by comparing rejected claims and allowed claims.

However, with respect to the Costello patent, the Court of Appeals held (Opinion, p. 13) that the rejection and abandonment of broad claims has no effect on the scope of the claims that were allowed without amendment, because the rejection was based on the ground that the broad claims are unstatutory. As to the Lawrence patent, the Court of Appeals held (Opinion, p. 15) that the burden was on the defendant in an infringement action to show

that the accused device is within the area of the prior art cited by the Patent Office in rejecting the broad claims. Your petitioner respectfully submits that whether there are exceptions to the doctrine of file wrapper estoppel, as thus announced by the Court of Appeals herein, should be finally settled by this Court.

Your petitioner has found no decision of this Court on said exceptions to the doctrine. *Schreiber Co. v. Cleveland Trust Co.*, 311 U.S. 211, 217, 220; *Exhibit Supply Co. v. Ace Patents Co.*, 315 U.S. 126, 136.

Conclusion

For the reasons above stated, it is urged that the petition for writ of certiorari be granted.

Respectfully submitted,

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VINSON, ELKINS, WEEMS
& SEARLS
JOE E. EDWARDS
Of Counsel

May ____, 1957

Service of a copy of the above petition is acknowledged this _____ day of May, 1957.

Attorney for Respondents